

TOWN OF MANSFIELD
FINANCE COMMITTEE MEETING
MINUTES OF OCTOBER 12, 2010

Members Present: W. Ryan, C. Schaefer, D. Keane

Council Members Present: none

Staff Present: C. Trahan

Guests: none

Meeting called to order at 6:30pm.

1. Minutes from 09/20/10 meeting approved as presented
2. The Committee reviewed the proposed Capital Projects adjustments as presented by Cherie Trahan. The adjustments officially close out and adjust funding for numerous projects, increase funding for the police study by \$20,000 and appropriate into the Capital Projects Fund the STEAP III grant and the Federal Transit Authority grant for the bus facility. The adjustments also recognize and appropriate into the Open Space account the grants received for the Vernon property and Dorwart property purchases. The Committee agreed to recommend that the Council adopt the adjustments as presented.
3. The Committee reviewed notes provided by Lon Hultgren & Cherie Trahan regarding the Solid Waste Fund program. Notes are attached here.
4. Foreclosure & conveyance taxes. Mary Stanton & Cherie Trahan provided information on the State action exempting foreclosures by decree of sale and by deeds in lieu of foreclosure from the conveyance tax. Notes are attached here.
5. Other Business/Future Agenda Items – Cherie will have a report on Comp Time at the next Finance Committee meeting, including comp time payout at June 30'th for non-exempt employees.
6. Adjournment. The meeting adjourned at 7:00pm.

Motions:

Motion was made to accept the September 20, 2010 minutes by Carl Schaefer. Seconded by Denise Keane. Motion so passed.

Motion was made to recommend that the Town Council adopt the Capital Projects Fund adjustments as presented in the memo from Cherie Trahan to Matt Hart, dated 10/12/10 by Denise Keane. Seconded by Carl Schaefer. Motion so passed.

Motion to adjourn.

Respectfully Submitted,
Cherie Trahan
Director of Finance

Solid Waste Program

- We have "franchised" residential collection in Mansfield (since 1990) wherein all residences, both multi-family and single-family, subscribe to their service through the Town and we bid and hire the refuse collectors.
- Currently, Mayo & Sons does the single-family pickup (about 2300 customers) and Willimantic Waste Paper does the multi-family pickup (about 2000 customers). Both of these are under contract -- Mayo is in one of their extension years, Willi Waste's contract has another year or two on it.
- Collected refuse gets taken to Willimantic Waste Paper, who is in the 3rd year of a 5 year contract and charges the Town about \$69 per ton.
- Recyclables also get taken to WWP as a "single stream" and we currently get paid \$6.52 per ton for these residential-collected recyclables.
- Bulky waste, refuse, paper, cans and bottles, cardboard and scrap iron gets hauled from the transfer station in 30 to 40 yard containers to WWP at \$128.75 per haul. We pay about \$69 per ton of bulky waste and receive about \$7 per ton payment for the recyclables.
- To give you a feel for the quantities involved:
 - Total collected residential refuse is about 200 Tons/month (2400 tons/yr): 125 tons/mo single-family & 75 tons/mo multi-family.
 - Total bulky waste (at transfer station only) is about 37 tons/month (450 tons/yr).
 - We recycle about 900 tons/yr of paper and 450 tons/yr cans and bottles -- (probably about 1200 or 1300 tons a year single stream).
- The service fees the Town collects pay our collection costs (contractors), our tipping fees (currently to WWP), our admin costs (including our Recycling Coordinator) and the costs of running the transfer station that exceed what the transfer station brings in for refuse, brush, stumps, tires, brush and bulky waste.
- Our recycling program is holding its own near 40% by weight for single-family and 10% for multi-family with a slow drop in recent years primarily due to the lack of glass containers (plastic is more prevalent and even though recycled weighs much less than glass). This is a national trend.
- We have always recycled just about everything here. We were not particularly happy about going to single stream recycling (the transfer station still separates by type of recyclable), but we had no choice as no one in the area processes separated recyclables any longer.
- We haven't raised rates since July 1, 2006. Planned to increase rates for the current year, but decided to hold off in light of the economy, however our costs continue to rise. Rates will be discussed again this budget year.

- Program based results – single family typically makes money; multi-family breaks even; transfer station runs in the red. Most people using the transfer station also have single family service.
- Effective November 3, 2010 pickup is being changed from Thursday/Friday to Wednesday/Thursday. Notices have been sent out; notes included on bill; box ads in newspaper. Reason – if there is a problem with pickup, there is no time to rectify on a Friday, garbage sits over the weekend.

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Foreclosure and Conveyance Tax

Beginning October 1, 2010 foreclosures by decree of sales (committee deeds) and by deeds in lieu of foreclosure will be exempt from conveyance taxes.

- With a decree of sale, the court: 1) establishes the time and manner of the sale; 2) appoints a committee to sell the property; and 3) appoints three appraisers to determine the value of the property.
- The borrower may stop the foreclosure proceedings at any time before the sale by paying the balance due on the mortgage. If no such payment is made, the committee will go forward with the sale.
- A deed in lieu of foreclosure is a deed instrument in which a mortgagor (i.e. the borrower) conveys all interest in a real property to the mortgagee (i.e. the lender) to satisfy a loan that is in default and avoid foreclosure proceedings.

The "selling at a loss provision" is for properties in which the gross purchase price is insufficient to pay the sum of the mortgage encumbrance of the property transferred, any real estate taxes, and other charges for which the municipality can place a lien which have priority over the mortgage. Example: a place has a \$100,000 mortgage and owes \$20,000 in property taxes and \$500 in sewer bills and sells for \$100,000 - no conveyance would be necessary. The thought being that it is pretty obvious that the seller does not have the money to pay the conveyance tax.

We are seeing more liens, pre foreclosure documents, we will have to wait and see how this affects us.